

**HOUSING AUTHORITY OF OBERLIN, LOUISIANA**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA  
(UNAUDITED)**

**TWELVE MONTHS ENDED DECEMBER 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUN 12 2013

**Mike Estes, P.C.**  
A Professional Accounting Corporation

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**MIKE ESTES, P.C.**  
**A PROFESSIONAL ACCOUNTING CORPORATION**  
4200 AIRPORT FREEWAY – SUITE 100  
FORT WORTH, TEXAS 76117

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MEMBER OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC  
ACCOUNTANTS  
and the  
AICPA GOVERNMENTAL  
AUDIT QUALITY CENTER

MIKE ESTES, CPA

(817) 831-3553  
(817) 831-3560  
e-mail: [office@mikeestespc.com](mailto:office@mikeestespc.com)  
website: [mikeestespc.com](http://mikeestespc.com)

**Independent Accountant's Compilation Report**

Board of Commissioners  
Housing Authority of Oberlin  
Oberlin, Louisiana

We have compiled the accompanying financial statements of the Housing Authority of Oberlin, Louisiana as of and for the year ended December 31, 2012, which collectively comprise the Housing Authority of Oberlin, Louisiana's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Housing Authority of Oberlin, Louisiana is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

We have also performed agreed-upon procedures for the year ended December 31, 2012, all included therein.

Mike Estes, P.C.  
Fort Worth, Texas  
May 24, 2013

**HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
STATEMENT OF NET POSITION**

DECEMBER 31, 2012

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 52,407
Investments	974
Accounts receivable net	10
Prepaid items and other assets	2,653
Inventory	58
Restricted assets - cash and cash equivalents	1,800
Total Current Assets	<u>57,902</u>
Capital Assets, net	
Land and other non-depreciated assets	7,594
Other capital assets - net of depreciation	154,063
Total Capital Assets, net	<u>161,657</u>
Total Assets	<u><u>\$ 219,559</u></u>

**LIABILITIES**

Current Liabilities	
Accounts payable	\$ 709
Deferred revenue	162
Accrued PILOT	12,063
Deposits due others	1,800
Total Current Liabilities	<u>14,734</u>
Total Liabilities	<u>14,734</u>

**NET POSITION**

Net investment in capital assets	161,657
Unrestricted	43,168
Net Position	<u><u>204,825</u></u>

See accompanying notes and independent accountant's compilation report.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND NET POSITION

YEAR ENDED DECEMBER 31, 2012

<b>OPERATING REVENUES</b>	
Dwelling rental	\$ 33,300
Governmental operating grants	53,782
Other	2,857
	<hr/>
Total Operating Revenues	89,939
<hr/>	
<b>OPERATING EXPENSES</b>	
Administration	52,020
Tenant services	72
Utilities	1,519
Ordinary maintenance & operations	24,744
General expenses	14,294
Depreciation	23,406
	<hr/>
Total Operating Expenses	116,055
	<hr/>
Income (Loss) from Operations	(26,116)
<hr/>	
<b>Non Operating Revenues (Expenses)</b>	
Interest earnings	12
	<hr/>
Total Non-Operating Revenues (Expenses)	12
	<hr/>
Income (Loss) before contribution	(26,104)
	<hr/>
Capital Contribution	13,416
	<hr/>
Change in net position	(12,688)
	<hr/>
Total net position - beginning	217,513
	<hr/>
Total net position - ending	\$ 204,825
	<hr/>

See accompanying notes and independent accountant's compilation report.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2012

	General
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Rental receipts	\$ 33,270
Other receipts	5,635
Federal grants	53,782
Payments to vendors	(33,740)
Payments to employees – net	(58,379)
Net cash provided (used) by operating activities	568
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(13,416)
Federal Capital Grants	13,416
Net cash provided (used) by capital and related financing activities	0
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from investment maturities	23,415
Interest income	12
Net cash provided (used) by investing activities	23,427
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	23,995
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning of Fiscal Year	30,212
<b>CASH AND CASH EQUIVALENTS</b>	
End of Fiscal Year	\$ 54,207

Continued

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2012

	<u>General</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (26,116)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	23,406
Provision of uncollectible accounts	153
Change in assets and liabilities:	
Receivables	(30)
Inventories	(61)
Prepaid items	328
Account payables	110
Accrued PILOT	3,178
Deposits due others	(400)
Net cash provided (used) by operations	<u>\$ 568</u>

Concluded

See accompanying notes and independent accountant's compilation report.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012

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HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Housing Authority of the Town of Oberlin have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Oberlin, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW	648	18 Units
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the Town of Oberlin since the Town of Oberlin appoints a voting majority of the Housing Authority's governing board. The Town of Oberlin is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Oberlin. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of Oberlin.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

**HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

- 1) Appointing a voting majority of an organization's governing body, and:
  - a) The ability of the government to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

**B. FUNDS** The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**PROPRIETARY FUNDS** Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$54,207. This is comprised of cash and cash equivalents of \$52,407 and restricted assets – cash of \$1,800, on the statement of net assets.

**E. INVESTMENTS** Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Definitions:**

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**F. REVENUE RECOGNITION** Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012

**G. INVENTORY** All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

**H. PREPAID ITEMS** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

**J. DEFERRED REVENUES** The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**K. POST EMPLOYMENT BENEFITS** The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

**L. RESTRICTED NET ASSETS** Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012

**M. USE OF ESTIMATES** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

**N. IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS** In June 2011, the Governmental Accounting Standards Board [GASB] issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and includes five components-assets, deferred outflows of resources [none applies to this entity this year], liabilities, deferred inflows of resources [none applies to this entity this year], and a residual amount, referred to as the net position. The provisions of this Statement are now effective and apply to these financial statements.

**NOTE 2 – DEPOSITS AND INVESTMENTS** The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at December 31, 2012. Deposits are stated at cost, which approximates fair value.

**Interest Rate Risk:** The Housing Authority's policy does not address interest rate risk.

**Credit Rate Risk:** GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

**Custodial Credit Risk:** The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

**Restricted Cash:** \$1,800 is restricted in the General Fund for security deposits.

At December 31, 2012, the Housing Authority's carrying amount of deposits was \$55,096 and the bank balance was \$55,906, which includes \$974 in certificates of deposits classified as investments. Petty cash consists of \$85. The entire balance was covered by FDIC Insurance

**NOTE 3 – ACCOUNTS RECEIVABLE** The receivables at December 31, 2012, are as follows:

Class of Receivables

Local sources:

Tenants	\$	10
		<hr/>
Total	\$	10
		<hr/> <hr/>

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012

**NOTE 4 – CAPITAL ASSETS** The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 7,594	\$ 0	\$ 0	\$ 7,594
Construction in progress	5,764	0	5,764	0
Depreciable assets:				
Buildings	989,505	10,701	0	1,000,206
Furniture and equipment	44,648	8,479	0	53,127
Total capital assets	1,047,511	19,180	5,764	1,060,927
Less: accumulated depreciation				
Buildings	838,486	18,075	0	856,561
Furniture and equipment	37,379	5,330	0	42,709
Total accumulated deprecation	875,865	23,405	0	899,270
Total capital assets, net	\$ 171,646	\$ (4,225)	\$ 5,764	\$ 161,657

**NOTE 5 – ACCOUNTS PAYABLE** The payables at December 31, 2012 are as follows:

Vendors	\$ 239
Payroll taxes & Retirement withheld	304
Utilitites	166
Total	\$ 709

**NOTE 6 – RETIREMENT SYSTEM** The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan the first day of the month after completion of one month of continuous employment.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 8.5% of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before ten (10) years of service or before their 65<sup>th</sup> birthday are used to offset future contributions of the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$1,764 for the year ended December 31, 2012, of which \$1,111 was paid by the Housing Authority and \$653 was paid by employees. No payments were made out of the forfeiture account.

**NOTE 7 – COMMITMENTS AND CONTINGENCIES**

**Litigation** The Housing Authority is not presently involved in litigation.

**Grant Disallowances** The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

**Construction Projects** There are certain renovation or construction projects in progress at December 31, 2012. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Risk Management** The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2012

This includes coverage of property, general liability, public liability and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

**NOTE 8 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$67,198 to the Housing Authority, which represents approximately 65% of the Housing Authority's total revenue and capital contributions for the year

**NOTE 9 – SUBSEQUENT EVENTS** Management has evaluated events and transactions subsequent to the statement of net position sheet date through the date of the independent auditor's report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.



**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
4200 AIRPORT FREEWAY – SUITE 100  
FORT WORTH, TEXAS 76117

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MEMBER OF THE  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC  
ACCOUNTANTS  
and the  
AICPA GOVERNMENTAL  
AUDIT QUALITY CENTER

MIKE ESTES, CPA

(817) 831-3553  
(817) 831-3560  
e-mail: [office@mikeestespc.com](mailto:office@mikeestespc.com)  
website: [mikeestespc.com](http://mikeestespc.com)

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

Board of Commissioners  
Housing Authority of Oberlin  
Oberlin, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Housing Authority of the Town of Oberlin, Louisiana solely to assist the users in evaluating management's assertions about compliance with certain laws and regulations during the year ended December 31, 2012. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

***Public Bid Law***

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$20,000.

***Code of Ethics for Public Officials and Public Employees***

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

### ***Budgeting***

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on January 10, 2012 which indicated that the budget had been adopted by the commissioners by unanimous consensus. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted amounts. Expenditures for the year were 93% of the amount budgeted.

### ***Accounting and Reporting***

8. Randomly select a minimum of 6 disbursements made during the period under examination and:

- a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the twenty selected disbursements (excluding payroll that was also reviewed) and found that payment was for the proper amount and made to the correct payee.

- b) determine if payments were properly coded to the correct fund and general ledger account; and  
All of the payments were properly coded to the correct fund and general ledger account.

- c) determine whether payments received approval from proper authorities.

Inspection documentation supporting each of the twenty selected disbursements indicated approvals from the Executive Director and the chairman of the Board of Commissioners.

### ***Meetings***

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law). The PHA is posting the proceedings of its meetings at City Hall and also at the PHA office.

The Housing Authority of the Town of Oberlin is only required to post a notice of each meeting and the accompanying agenda on the door of the PHA's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

### ***Debt***

10. Examine bank deposits for the period under examination to determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds or like indebtedness.

### ***Advances and Bonuses***

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances or gifts.

A reading of the minutes of the Authority for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated June 26, 2012, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for use of management of the Housing Authority and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mike Estes, P.C.  
Fort Worth, Texas  
May 24, 2013

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2012

Prior Findings

None

Current Findings

None

## **SUPPLEMENTARY INFORMATION**

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED DECEMBER 31, 2012

CASH BASIS

	2008 Capital Fund
Funds approved	\$ 28,651
Funds expended	28,651
Excess of funds approved	\$ 0
Funds advanced	\$ 28,651
Funds expended	28,651
Excess (Deficiency) of funds advanced	\$ 0

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated June 21, 2012 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See independent accountant's compilation report.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
STATEMENT OF MODERNIZATION COSTS – UNCOMPLETED

YEAR ENDED DECEMBER 31, 2012

CASH BASIS

	2009 Capital Fund	2010 Capital Fund
	<hr/>	<hr/>
Funds approved	\$ 28,501	\$ 28,406
Funds expended	19,293	3,500
	<hr/>	<hr/>
Excess of funds approved	\$ 9,208	\$ 24,906
	<hr/>	<hr/>
Funds advanced	\$ 19,293	\$ 3,500
Funds expended	19,293	3,500
	<hr/>	<hr/>
Excess (Deficiency) of funds advanced	\$ 0	\$ 0
	<hr/>	<hr/>

See independent accountant's compilation report.

HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2012

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 47,113
Capital Fund Program	14.872	20,085
Total United States Department of Housing and Urban Development		\$ 67,198
Total Expenditures of Federal Awards		\$ 67,198

See independent accountant's compilation report.



HOUSING AUTHORITY OF OBERLIN, LOUISIANA  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2012

**NOTE 1 – GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of Oberlin, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in NOTE 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

**NOTE 2 – BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in NOTE 1(C) to the Housing Authority's basic financial statements.

**NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS** Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	<u>Federal Sources</u>
Enterprise Funds	
Governmental operating grants	53,782
Capital contributions	13,416
	<hr/>
Total	\$ <u>67,198</u>

**NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.